



North Carolina Department of Health and Human Services Office of the Controller

Michael F. Easley, Governor
Carmen Hooker Odom, Secretary

Laketha M. Miller, Controller

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MEMORANDUM

TO: Directors
Finance Officers
Private Providers

FROM: Laketha M. Miller *Laketha M. Miller*
Mark Benton *Mark T. Benton*
Mike Moseley *mm*

DATE: June 1, 2007

RE: Clarification of Cost Reporting Requirements for Private Providers

As a result of discussions between representatives from the DHHS Controller's Office, the Division of Medical Assistance (DMA) and mental health provider associations, and to clarify questions generated from the issuance of our memo on April 18th, all private providers who have a fiscal year ending on or after 12/31/07 are required to file the Mental Health Cost Report. The due date in this first reporting year will be 5 months after the year end closing date (i.e. a 12/31/07 fiscal year end translates into a cost report due on or before 5/31/08). By receiving cost reports starting in 2008, DMA will begin the process of accumulating the data necessary to validate costs.

In order to accomplish the reporting described above, private providers will report their 12 months of accumulated costs, supported by their audits or financial statements as of year end 12/31/07 or any date thereafter. Because employee time data will only have been tracked for a period of less than 12 months, starting as of 7/1/07, the time data will need to be annualized.

A memo announcing upcoming cost report training dates and locations will be issued shortly. If you have questions your primary contacts are Susan Kesler at the Controller's Office, 919-855-

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3680 or Susan.Kesler@ncmail.net, or Christal Kelly at DMA, 919-855-4206 or Christal.Kelly@ncmail.net.

Cc: Roger Barnes
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